



997 HOUSE OFFICE BUILDING  
P.O. BOX 30014  
LANSING, MI 48909-7514  
PHONE: (517) 373-1787  
FAX: (517) 373-9119  
TOLL-FREE: (877) 686-1787  
E-MAIL: lorencewenke@house.mi.gov

MICHIGAN HOUSE OF REPRESENTATIVES

**LORENCE WENKE**

STATE REPRESENTATIVE

63RD DISTRICT

COMMITTEES:  
LABOR, MINORITY VICE-CHAIR  
ETHICS AND ELECTIONS  
TAX POLICY

March 13, 2007

Dear Colleagues:

I respectfully offer a proposal, detailed here, as a step toward addressing the budget crisis currently plaguing the State of Michigan. I also respectfully ask each representative and senator for the favor of a response to this proposal by way of a signature on a form that I am providing. At the very least, it is my hope to initiate dialogue and provide an opportunity to examine venues for easing the load of Michigan taxpayers.

Before any general tax increases are asked of the citizens of the State of Michigan, I am asking all Michigan legislators to discuss and consider other options. I propose that employees of the Michigan taxpayers accept a salary/wage reduction or freeze and agree to pay a more significant portion of their benefit package. I consider employees of the taxpayer to be all who receive a taxpayer funded paycheck – employees of the State of Michigan, those employed in education, local government officials, employees of non-profits that are supported by the taxpayer, and many others. I also include those individuals who have retired from these positions.

I believe that in many cases employees of the taxpayer receive a package of compensation that is far greater than any offered by the private sector for comparable positions. The taxpayer can no longer afford to finance such generous employee benefits.

Please consider:

1. Michigan legislators are the 2<sup>nd</sup> highest paid in the nation in terms of salary and are promised lifetime healthcare benefits for themselves and their spouse at the age of 55 after just six years of service.
2. Michigan teachers and administrators enjoy salaries that consistently rank in the top five per cent in the nation. Teachers in metropolitan Detroit are the highest paid of any metro region in the country.
3. Some employees of the Michigan educational system can work for as few as five years and qualify for extremely generous benefit packages.
4. Many employees of state universities enjoy free tuition for their children – a benefit of approximately \$7000 per year per child.

5. In local government, employees of both the City of Kalamazoo and Kalamazoo County retire after 30 years of employment with a pension plan that pays them 75% of their last wage until the day they die.
6. Michigan State Police employees and many local public safety employees retire after 25 years of employment with a benefit package equaling 70% of their last salary/wage.

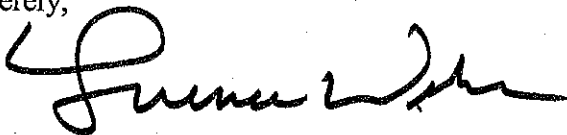
I believe Michigan's once lucrative auto industry is responsible for driving compensation in Michigan to levels that can no longer be sustained by the taxpayer. We no longer have the auto industry to pay our bills. The private sector is rapidly making changes and adapting to Michigan's new economy while government is making few changes.

I am the owner of a business that employs 200 people in Michigan and Georgia. I have 30 years of experience in business and 12 years experience as an elected official. There is no comparison between the pressures in the business environment of making a product, selling it for a profit, funding a payroll and paying taxes and that of the role of government where we function primarily on the spending side of the economy.

I have great respect for employees of the taxpayer. In many ways it is more difficult, for example, to educate a child than it is to make a product. However, I do not believe that we are providing fair compensation to those who are generating tax dollars to be spent by taxpayer funded employees.

I am asking that you return the response portion of this correspondence by March 26, 2007. If I do not receive a response from you, I will solicit your opinion in future communications.

Sincerely,



LORENCE WENKE  
State Representative  
63<sup>rd</sup> District

Enclosure



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- ☐ I generally agree with your proposal that employees of the taxpayer accept a salary/wage reduction or freeze and agree to pay a more significant portion of their fringe benefit package before we approve any general tax increase on Michigan citizens.
- ☐ I generally disagree with your proposal.

\_\_\_\_\_  
Legislator Signature

\_\_\_\_\_  
Date

Please return by: Monday, March 26, 2007

Please return to: Representative Lorence Wenke  
N-997 HOB  
P.O. Box 30014  
Lansing, MI 48909-7514  
  
Fax: 517-373-9119  
E-mail: lorencewenke@house.mi.gov